

Techwax Limited

Report and Financial Statements

30 September 2012

THURSDAY



A44 13/06/2013 #91
COMPANIES HOUSE

Director

F Jumelet

Company secretary

J Charlton

Independent Auditors

PricewaterhouseCoopers LLP
89 Sandyford Road
Newcastle upon Tyne
NE1 8HW

Bankers

National Westminster Bank Plc
28 Market Place
Barnard Castle
County Durham
DL12 8PT

Solicitors

Davies Wallis Foyster
Centurion House
129 Deansgate
Manchester
M3 3AA

Registered Office

Unit 4B Whinbank Park
Whinbank Road
Aycliffe Industrial Estate
Newton Aycliffe
County Durham
DL5 6AY

Director's report for the year ended 30 September 2012

The director presents his report and financial statements for the year ended 30 September 2012

Results and dividends

The profit for the financial year after taxation amounted to £401,107 (period ended 30 September 2011 – £287,739) The director does not recommend a dividend for the year (2011 – £nil)

Principal activity and review of the business

The principal activity of the company is in the manufacture of chemicals in support of drilling activities within the oilfield industry and research, manufacture and sale of a range of acrylates including dispersants, thickeners, binders, scale inhibitors, coagulants and flocculants

The director is pleased with the improvement in profitability and look forward to continued profitability in 2013

Principal risks and uncertainties

There are no significant risks or uncertainties that would hinder the companies continued steady growth

Risk management objectives and policies

The company acts as a toll manufacturer on behalf of ISP Switzerland GmbH and thus it is ISP Switzerland GmbH who bears all the exposure to risk on pricing, credit, liquidity and cash flows

Going concern

The director has considered the company's current and future prospects and its availability of financing, and is satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements For this reason the director continues to adopt the going concern basis of preparation for these financial statements

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows

F Jumelet (Appointed 30 September 2012)

C Higgs (Resigned 30 September 2012)

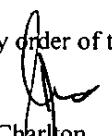
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board


J Charlton
Company secretary

29 May 2013

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

To the members of Techwax Limited

We have audited the financial statements of Techwax Limited for the year ended 30 September 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Director's Responsibilities Statement the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

Independent auditors' report

To the members of Techwax Limited

- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Michael Jeffrey (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Newcastle upon Tyne

29 May 2013

Profit and loss account

for the year ended 30 September 2012

		<i>Year ended</i> 30 Sep 2012	<i>9 months</i> <i>ended</i> 30 Sep 2011
	<i>Notes</i>	£	£
Turnover	2	15,003,099	11,002,137
Cost of sales		(14,943,471)	(10,946,604)
Gross profit		59,628	55,533
Administrative expenses	3	(2,629,247)	(1,977,677)
Other operating income		3,004,521	2,243,541
Operating profit	4	434,902	321,397
Profit on ordinary activities before taxation		434,902	321,397
Tax on profit on ordinary activities	6	(33,795)	(33,658)
Profit for the financial year/period	12	401,107	287,739

The results are derived wholly from continuing operations. There is no material difference between the profit for the financial year stated above and their historical cost equivalents.

The company has no recognised gains and losses other than those included in the profit above, and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet

at 30 September 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	7	1,501,253	1,482,312
Current assets			
Debtors	8	4,550,111	5,297,064
Cash at bank and in hand		196,855	51,104
Creditors amounts falling due within one year	9	4,746,966 (4,436,147)	5,348,168 (5,475,807)
Net current assets/(liabilities)		310,819	(127,639)
Total assets less current liabilities		1,812,072	1,354,673
Provisions for liabilities	10	(175,633)	(119,341)
Net assets		1,636,439	1,235,332
Capital and reserves			
Called up share capital	11	30,000	30,000
Profit and loss account	12	1,606,439	1,205,332
Total Shareholders' funds	12	1,636,439	1,235,332

The financial statements on pages 6 to 15 were approved by the Board on 29 May 2013 and signed on their behalf by

F Jumelet
Director

Notes to the financial statements for the year ended

30 September 2012

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the financial reporting standards for smaller entities and applicable accounting standards in the United Kingdom. Also in accordance with the provision of the Companies Act 2006 and under the historical cost accounting convention. The accounting policies that follow have been consistently applied to all years presented.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due. The directors consider this to be appropriate as the company has sufficient cash flows.

Statement of cash flows

Under the provisions of FRS 1, the company is exempt from the requirement to prepare a statement of cash flows on the grounds that its ultimate parent undertaking, Ashland Inc, incorporated in the United States of America, includes the company in its own published group financial statements.

Turnover

The company acts as a tolling manufacturer for ISP Switzerland GmbH. Turnover represents the movement on inventory plus associated mark-up. Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write-off the cost less estimated residual value of tangible fixed assets on a straight-line basis over their expected useful life, as follows:

Leasehold improvements	–	5 years
Plant and machinery	–	3 to 20 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stock is owned by ISP Switzerland GmbH under a tolling manufacturing arrangement and is therefore not included in the balance sheet of Techwax Limited.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements for the year ended

30 September 2012

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases and hire purchase commitments

Operating lease rental are charged to the profit and loss account on a straight-line basis over the period of the lease.

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amounts charged to the profit and loss account in respect of the defined contribution scheme represent the contributions payable to the scheme in respect of the accounting period.

Other operating income

Other operating income relates to reimbursement for work undertaken and expenses incurred on behalf of a fellow ISP subsidiary.

2. Turnover

The geographical analysis of turnover by destination is as follows

	<i>Year ended</i> 30 Sep 2012	<i>9 months ended</i> 30 Sep 2011
	£	£
Europe	15,003,099	11,002,137

3. Administrative expenses

	<i>Year ended</i> 30 Sep 2012	<i>9 months ended</i> 30 Sep 2011
	£	£
Distribution costs	507,668	457,000
Selling and marketing	348,861	410,528
Administration	972,882	536,639
Research and development	799,836	573,510
	<u>2,629,247</u>	<u>1,977,677</u>

Notes to the financial statements for the year ended

30 September 2012

4. Operating profit

This is stated after charging

	<i>Year ended</i> 30 Sep 2012	<i>9 months ended</i> 30 Sep 2011
	£	£
Auditors' remuneration – audit	5,145	11,000
– non audit services – taxation compliance	19,875	8,000
– non audit services – taxation advisory	14,750	5,500
Depreciation and amounts written off tangible fixed assets	328,356	187,742
Operating lease rentals – land and buildings	233,076	190,500
Operating lease rentals – plant and machinery	27,520	-
Operating lease rentals - other	22,643	67,272
	<u> </u>	<u> </u>

5. Staff costs

	<i>Year ended</i> 30 Sep 2012	<i>9 months ended</i> 30 Sep 2011
	£	£
Wages and salaries	1,850,707	1,416,134
Social security costs	186,545	148,164
Other pension costs (note 13)	53,543	48,197
	<u>2,090,795</u>	<u>1,612,495</u>

The average monthly number of employees during the year, including directors was made up as follows

	<i>Year ended</i> 30 Sep 2012	<i>9 months ended</i> 30 Sep 2011
	No	No £
Production	19	17
Selling and distribution	5	6
Administration	20	21
Research and development	21	20
	<u>65</u>	<u>64</u>

The remuneration of the company director in the current financial accounting year was borne by other group companies and is disclosed in the financial statements of those companies. It is not practical to apportion the remuneration between those companies.

Notes to the financial statements for the year ended

30 September 2012

6. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	<i>Year ended</i> 30 Sep 2012	<i>9 months ended</i> 30 Sep 2011
	£	£
<i>Current tax</i>		
UK corporation tax	94,706	37,488
Adjustments in respect of previous years	(117,203)	(8,448)
Total current tax (note 6(b))	(22,497)	29,040
<i>Deferred tax</i>		
Origination and reversal of timing differences	73,890	13,116
Effects of changes in tax rate on opening liability	(17,598)	(8,498)
Total deferred tax (note 10)	56,292	4,618
Tax on profit on ordinary activities	33,795	33,658

(b) Factors affecting current tax charge

The tax assessed for the year is different to (2011 different to) the standard rate of corporation tax in the UK of 25% (2011 – 26.66%). The differences are explained below

	<i>Year ended</i> 30 Sep 2012	<i>9 months ended</i> 30 Sep 2011
	£	£
Profit on ordinary activities	434,902	321,397
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2011 – 26.66%)	108,726	85,684
<i>Effects of</i>		
Non-taxable income	(42,469)	(34,209)
Capital allowances in excess of depreciation	28,449	(13,987)
Adjustments in respect of previous years	(117,203)	(8,448)
Current tax for the year (note 6(a))	(22,497)	29,040

Notes to the financial statements for the year ended 30 September 2012

6. Tax on profit on ordinary activities (continued)

(c) Factors affecting future tax charge

The Finance Act 2012, which was substantively enacted on 3 July 2012, includes legislation reducing the main rate of corporation tax to 23% from 1 April 2013. As the Finance Act 2012 was substantively enacted at the balance sheet date, deferred tax balances at 31 December 2012 have been calculated using a tax rate of 23%.

Further reductions are proposed, to reduce the rate to 20% from 1 April 2015. These changes were not substantively enacted at the balance sheet date and therefore have not been provided for in these financial statements.

7. Tangible fixed assets

	<i>Leasehold improvements</i>	<i>Plant and machinery</i>	<i>Capital in progress</i>	<i>Total</i>
	£	£	£	£
Cost				
At 1 October 2011	24,772	2,352,978	2,602	2,380,352
Additions	-	303,347	43,950	347,297
At 30 September 2012	24,772	2,656,325	46,552	2,727,649
Accumulated depreciation				
At 1 October 2011	24,772	873,268	-	898,040
Charge for the year	-	328,356	-	328,356
At 30 September 2012	24,772	1,201,624	-	1,226,396
Net book value				
At 30 September 2012	-	1,454,701	46,552	1,501,253
At 30 September 2011	-	1,479,710	2,602	1,482,312

Notes to the financial statements for the year ended

30 September 2012

8. Debtors

	2012	2011
	£	£
Amounts owed by group undertakings	4,376,068	3,895,952
Other debtors	78,286	1,293,900
Prepayments and accrued income	95,757	107,212
	<u>4,550,111</u>	<u>5,297,064</u>

9. Creditors: amounts falling due within one year

	2012	2011
	£	£
Trade creditors	91,499	812,140
Amounts owed to group undertakings	4,156,564	4,505,428
Corporation tax	94,706	37,488
Other taxation and social security	-	-
Accruals and deferred income	93,378	120,751
	<u>4,436,147</u>	<u>5,475,807</u>

10. Provisions for liabilities

	Deferred tax	
	£	
At 1 October 2012	119,341	
Origination and reversal of timing difference (note 6(a))	73,890	
Effects of changes in tax rate on opening liability (note 6(a))	(17,598)	
	<hr/>	
At 30 September 2012	175,633	
	<hr/> <hr/>	
	2012	2011
	£	£
Deferred tax consists of		
Accelerated capital allowances	175,633	119,341

Notes to the financial statements for the year ended

30 September 2012

11. Called up capital

		2012		2011
<i>Allotted, called up and fully paid</i>	<i>No</i>	<i>£</i>	<i>No</i>	<i>£</i>
Ordinary shares of £1 each	30,000	30,000	30,000	30,000

12. Reconciliation of movements in shareholders' funds and movements on reserves

	<i>Called up Share capital £</i>	<i>Profit and loss account £</i>	<i>Total share- holders' funds £</i>
At 1 January 2011	30,000	917,593	947,593
Profit for the period	-	287,739	287,739
At 1 October 2011	30,000	1,205,332	1,235,332
Profit for the year	-	401,107	401,107
At 30 September 2012	30,000	1,606,439	1,636,439

13. Pension commitments

The company operates a defined contribution pension scheme for which the pension cost charge for the year amounted to £53,543 (2011 – £48,197). At the balance sheet date outstanding contributions were £nil (2011 – £nil).

14. Other financial commitments

At 30 September, the company had annual commitments under non-cancellable operating leases as set out below

	<i>Land and buildings 2012 £</i>	<i>Other 2012 £</i>	<i>Land and buildings 2011 £</i>	<i>Other 2011 £</i>
Expiry date				
– within one year	-	3,245	87,894	4,434
– between two and five years	134,589	12,247	93,672	26,963
	134,589	15,492	181,566	31,397

Notes to the financial statements for the year ended

30 September 2012

15. Related party transactions

As a wholly owned subsidiary of Ashland Inc the company has taken advantage of the exemption in FRS 8 'Related Party Disclosures' from disclosing transactions with other wholly owned members of the group headed by Ashland Inc. The group financial statements of Ashland Inc, within which this company is included, can be obtained from the address given in note 16.

16. Ultimate parent undertaking and controlling party

The company is a subsidiary undertaking of ISP Holdings (UK) Limited, incorporated in England and Wales.

The largest and smallest group into which the results of the company are consolidated is that headed by Ashland Inc, a company registered in United States of America, and the controlling party of the company.

The consolidated financial statements of Ashland Inc are available to the public and may be obtained from

Ashland Inc
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